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BUSINESS | MEDIA

Edgar Bronfman Drops Bid for Paramount, Paving Way for Skydance Deal

Bronfman informed a special committee that he would be exiting the deal process

By *Lauren Thomas*

Updated Aug. 26, 2024 9:24 pm ET



Edgar Bronfman Jr. PHOTO: MICHAEL KOVAC/GETTY IMAGES

Edgar Bronfman Jr. has walked away from bidding for Shari Redstone's media empire, paving the way for the company to be sold to David Ellison's Skydance Media.

Bronfman said in a statement that his bidding group informed Paramount's special committee of directors on Monday evening that it would be exiting the so-called "go-shop" process.

"We continue to believe that Paramount Global **PARA 0.33%** ▲ is an extraordinary company, with an unrivaled collection of marquee brands, assets and people," Bronfman said in the statement.

“While there may have been differences, we believe that everyone involved in the sale process is united in the belief that Paramount’s best days are ahead,” he added. “We congratulate the Skydance team and thank the special committee and the Redstone family for their engagement during the go-shop process.”

Bronfman last week submitted a revised bid of \$6 billion for National Amusements and a minority stake in Paramount, The Wall Street Journal previously reported. He formally entered the fray last Monday evening with a \$4.3 billion offer, hoping to scuttle plans for the business to be sold to Skydance.

Bronfman’s efforts were enough for Paramount to extend the go-shop period—a window during which the board committee can solicit and review bids—until Sept. 5. Under the terms of the deal with Skydance, the special committee had to decide if Bronfman’s bid “is or would reasonably be expected to lead to a superior proposal,” relative to Skydance’s offer.

Skydance fought back, with its lawyers delivering a letter to the special committee last week calling for Paramount to end talks with Bronfman on the grounds that they violated terms governing its own negotiations with the company.

Bronfman was up against a deadline this week to submit a final offer for Redstone’s media empire—this time with more clarity around his financing commitments. Bronfman’s investor group had included Fortress Investment Group and BC Partners Credit.

Ellison’s roughly \$8 billion offer involves buying National Amusements and merging Skydance into Paramount. The deal would put \$1.5 billion on Paramount’s balance sheet that can be used to pay down debt. Additionally, it would provide more than \$4 billion to buy out about 50% of nonvoting Paramount shares at \$15 each, or allow them to roll into the new company.

Bronfman had argued that Skydance’s plans to merge its film and TV business with Paramount—at a \$4.75 billion valuation—was going to dilute non-Redstone shareholders.

Bronfman—whose family once owned liquor giant Seagram—prides himself on helping steer companies through big transformations. The 69-year-old helped to reshape the music industry as an investor and executive, though he’s had a mixed record of success in the broader media business.

He previously ran Warner Music and currently serves as executive chairman of FuboTV.

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Appeared in the August 27, 2024, print edition as 'Bronfman Gives Up In Bidding War for Paramount'.

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